
OLR Bill Analysis

sHB 5454

AN ACT CONCERNING THE VALUATION OF REAL PROPERTY ACQUIRED BY EMINENT DOMAIN.

SUMMARY:

This bill requires a redevelopment agency to look at a property's assessed value as well as its appraised value when considering compensation for taking a property owner's property.

Under current law, the agency must compensate the owner based on the average of two independent appraisals. Owners of property taken for certain eminent domain and condemnation projects receive 125% of that amount. The bill requires that property owners receive the greater of these amounts or the property's assessed value according to the most recent grand list.

EFFECTIVE DATE: October 1, 2012

BACKGROUND

Compensation and Appraisal

By law, local and state agencies must compensate property owners when taking their property. An agency must have the property appraised by two state-certified appraisers who must work independently of each other and use generally accepted professional standards as described in the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of the Appraisal Foundation pursuant to federal and state law. Each appraiser must provide a copy of the appraisal to the property owner and the agency.

Statutory Right to Challenge Compensation Offer

The law gives property owners the right to go to court to challenge

the compensation a municipality or redevelopment agency offers for their property in an eminent domain case. In determining fair market value in such a case, courts consider everything that legitimately affects the property's value. But they may not consider factors that do not affect market value.

When the court awards more than the agency offered, the law also gives property owners court costs including reasonable fees. These fees can include the costs of any witness necessary for the court's determination of the property's value, not just for appraisers (CGS § 8-133).

The law allows the property owner to appeal the court's ruling.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 5 (03/23/2012)